12. If transit traffic functionality is required, the requested method(s) of providing functionality at each requested point of interconnection pursuant to Section IV of these guidelines;

13. The requested completion date; and

14. A list including names, phone numbers, and areas of responsibility of the requesting carrier's contact persons for the negotiation process.

An application fee may be charged by the providing carrier to recover no more than the reasonable cash outlays expended in the course of fulfilling the bona fide request. The amount of the application fee shall be subject to the Commission's review and approval, and shall be assessed only after the Commission has approved an interconnection arrangement or the requesting carrier has decided to no longer pursue the arrangement. Disputes concerning the amount of the fee will be resolved by the Commission through the arbitration process.

D. Process for Negotiation and Approval of Interconnection Agreements (See also the Commission's Guidelines in Case No. 96-463-TP-UNC)

1. Negotiations Procedures

a. Any bona fide request shall be submitted via facsimile, overnight mail, or hand-delivery to the appropriate personnel or division within the LEC's organization in charge of negotiating interconnection arrangements between carriers. Within 5 business days of receiving such request, the providing carrier shall send a letter acknowledging the receipt of the bona fide request and setting the time for the first negotiation meeting within 10 business days from the date the providing carrier received the request. In that letter, the providing carrier shall provide a list of names, phone numbers, and areas of responsibility of contact persons for the negotiation process, and a list of any additional information necessary to process such a request. Within 10 business days of receiving all necessary information, the providing carrier shall inform the requesting carrier, in writing, of any requested interconnection or network element that is not technically feasible to provide, with a detailed explanation of such finding.

b. The providing carrier shall notify the Commission of any bona fide request pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. As soon as feasible, no later than 115 calendar days from the receipt of a bona fide request, the providing carrier shall provide, in writing, the requesting carrier with a comprehensive quote including, at a minimum: the description of each interconnection and network element provided; rates to be charged for each item; its estimated cash outlays for processing the bona fide request pursuant to Section III.C. of these guidelines; and the installation schedule for each component provided.

d. As soon as feasible, no later than 20 calendar days from the receipt of the quote from the providing carrier, the requesting carrier shall respond in writing by accepting or rejecting the quote.

2. Agreements Arrived at Through Negotiations

a. Upon receiving a bona fide request for interconnection pursuant to Section III.C. of these guidelines, a LEC shall negotiate in good faith and may enter into a binding agreement with the requesting carrier.

b. At any point in time during the negotiation, any party to the negotiation may ask the Commission to participate in the negotiation and to mediate any differences arising during the course of the negotiation, pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. If an agreement is reached, it shall include a detailed list of the itemized charges for interconnection and each service or network element included in the agreement, including all separate agreements involving such services or network elements. The agreement shall also include a detailed implementation schedule of the items included in the agreement.

d. The agreement, including any interconnection agreement negotiated before the date of enactment of the 1996 Act and not previously submitted to the Commission for approval, shall be filed with the Commission for approval. Previously approved agreements need not be resubmitted unless otherwise ordered or requested. The application for approval of the negotiated agreement (NAG) shall be filed along with a completed Registration Form, as set forth in Attachment B to these guidelines.

e. The Commission shall review an agreement arrived at through negotiation and shall approve the agreement if it finds that:

   1. The agreement (or any portion thereof) does not discriminate against a telecommunications carrier not a party to the agreement; and

   2. The implementation of the agreement (or any portion thereof) is consistent with the public interest, convenience, and necessity.

f. The Commission shall approve or reject the agreement pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

g. Nondiscrimination Provision

   A LEC shall make available any interconnection, service, or network element provided under an agreement approved pursuant to this section and to Section 252 of the 1996 Act to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement. Existing EAS compensation arrangements for the transport and termination of traffic shall be maintained until the Commission determines otherwise, since such arrangements are not approved by the Commission pursuant to Section 252 of the 1996 Act and shall only be available to other similarly situated LECs establishing an arrangement with a non-competing LEC. This provision odes not prohibit the Commission from imposing bill and keep compensation through arbitration if deemed warranted by the Commission.

3. Arrangements Arrived at Through Arbitration

a. During the period from the 135th to the 160th day (inclusive) after the date in which an ILEC receives a bona fide request for interconnection pursuant to Section III.C. of these guidelines, any party to the negotiation may petition the Commission to arbitrate any open issues by filing an application (ARB) along with a completed Registration Form, as set forth in Attachment B to these guidelines.

b. The Commission will review arrangements adopted through arbitration pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. Nondiscrimination Provision

A LEC shall make available any interconnection service, or network element provided under an arbitrated arrangement approved pursuant to this section to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the arbitrated arrangement.

E. Statement of Generally Available Terms

1. Ameritech Ohio may prepare and file with the Commission a statement of the terms and conditions that it generally offers to other carriers in the state of Ohio to comply with the guidelines established by this Commission in Sections III, IV, V, VIII, IX, XII, XIV, and XVI of these guidelines. Such filing shall be made in a (UNC) case.

2. Upon the filing by Ameritech Ohio of a statement of generally available terms, interested persons may file written comments within 15 days.

3. The Commission will review such a statement within 60 days after the date of the filing and allow the statement to take effect on the 61st day unless Ameritech Ohio agrees to an extension of the review period or unless the Commission disapproves the statement. The Commission may continue to review the statement after the 60-day period.

4. The submission or approval of a statement under this section shall not relieve Ameritech Ohio of its duty to negotiate in good faith the terms and conditions of an agreement pursuant to this section.

IV. COMPENSATION FOR THE TRANSPORT AND TERMINATION OF TRAFFIC

A. Compensation Principles

1. Cellular Carriers

Interconnection and compensation arrangements between LECs and cellular carriers are subject to FCC and Commission rules and guidelines as they exist and as they may be modified.

2. Reciprocal Compensation

All LECs shall have the duty to establish reciprocal compensation arrangements for the transport and termination of traffic.

3. Eligibility

LECs shall be entitled to compensation for the use of network facilities they own or obtain by leasing from another underlying facilities-based LEC (i.e., through purchasing unbundled network elements) to provide transport and terminate traffic originated on the network facilities of other telecommunications carriers. Nonfacilities-based LECs are not eligible for the transport and termination of traffic.

B. Traffic Measurement

All ILECs and NECs exchanging local and toll traffic shall measure MOUs for compensation purposes if technically and economically feasible. However, carriers that are unable to measure traffic terminating on their network may use a percentage of local use factor in order to bill the originating carrier. All carriers shall be required to maintain records of the originating call details, which will be subject to periodic audits for validation of traffic jurisdiction. Upon mutual agreement, the interconnecting carriers may use separate dedicated trunks for local, intraLATA toll, and interLATA toll traffic transport.

C Local and Toll Traffic Determination

As NECs establish operations within individual ILEC local calling areas, the perimeter of each such local calling area, as revised to reflect EAS, shall constitute the demarcation for differentiating local and toll call types for the purpose of traffic termination compensation. Any end user call originating and terminating within the boundary of such local calling area, regardless of the LEC at the originating or terminating end, shall be treated as a local call, irrespective of subsequent changes in the ILEC's local calling area. The Commission shall specify the date upon which a NEC is deemed operational in an ILEC local calling area in effectuating this guideline. Nothing in these guidelines would preclude the Commission from deciding on a case-by-case basis that an ILEC's local calling area should be expanded, thereby expanding the definition in this section for what should be treated as a local call for traffic termination compensation purposes.

D. Methods of Compensation for Transport and Termination of Traffic

1. Transport and Termination of Local Traffic

a. Rates, terms, and conditions for the transport and termination of local traffic shall be established through interconnection agreements arrived at either through negotiation, or through arbitration. In addition, rates, terms, and conditions for the transport and termination of local traffic may be established through tariffs approved by the Commission. The Commission, at is discretion, may order the filing of tariffs establishing the rates, terms, and conditions for the transport and termination of local traffic. For an ILEC to comply with Section IV.A.2. of these guidelines, the rates, terms, and conditions for reciprocal compensation shall not be considered just and reasonable unless:

i. They provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier; and

ii. Such costs are determined on the basis of a reasonable approximation of the additional costs of terminating such a call, pursuant to Section V.C. of these guidelines.

Arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive the mutual recovery, such as bill and keep arrangements, are not precluded by this section.

b. An interconnection arrangement may employ bill and keep as a method of compensation for the transport and termination of local traffic for one year, and may require an evaluation of the appropriateness of utilizing such method for the rest of the term of the agreement. Such evaluation shall take into consideration the traffic flow between carriers, the costs incurred by each carrier in the transport and termination of local traffic originated on the other carrier's network, and the characteristics of the end users served by each carrier (i.e., residence and business mix). Such an agreement shall be considered just and reasonable as an interim method affording the mutual recovery of costs through the offsetting of reciprocal obligations and waiving of the mutual recovery of costs.

c. LECs shall offer a reasonable, nondiscriminatory, and competitive flat (per port capacity) compensation rate to other LECs requesting such a compensation method. However, reciprocal compensation rates may also be offered, in addition to a flat (per port capacity) compensation method, which are usage-sensitive (i.e., per minute of use) or which combine usage-sensitive elements and flat-rate elements. These rates shall be set pursuant to Section V.C. of these guidelines. For the Commission to find a proposed rate structure for compensation for the transport and termination of local traffic to be reasonable, a complete, well-developed cost study shall be submitted and evaluated.

d. A NEC may mirror rates of originating LECs for the transport and termination of local traffic on a rate element basis, unless the NEC chooses to establish its own transport and termination of local traffic rates pursuant to Sections IV.D.1.a. and V.C. of these guidelines.

This section shall not be construed to preclude LECs from negotiating other compensation arrangements that satisfy the requirements of Section IV.D.1.a. of these guidelines.

2. Transport and Termination of Toll Traffic

a. Current prevailing ILEC's intrastate exchange access tariffs, including all rates, terms, and conditions as they may be modified, shall be used by ILECs for compensation for transport and termination of toll traffic originated by other telecommunications carriers and terminated on that ILEC's network.

b. NECs shall also tariff the rates, terms, and conditions for compensation for the transport and termination of toll traffic. A NEC may mirror rates, on a rate element basis, of the ILEC providing service in the NEC's service area, for the transport and termination of toll traffic, unless the NEC chooses to establish its own rates for the transport and termination of toll traffic pursuant to Sections IV.D.1.a. and V.C. of these guidelines.

E. Transit Traffic Compensation

Transit traffic is the traffic which originates with one carrier's end user, terminates at a second carrier's end user and is transmitted using an intermediate third carrier's network.

1. The intermediate LEC carrying traffic originating and terminating on other carriers' networks shall be compensated for the use of its network facilities to complete the call.

2. The intermediate carrier may provide transit traffic functionality either by:

   a. Carrying the call over its public switched network, in which case the intermediate carrier shall be compensated at its tariffed exchange access rates, under the same terms and conditions applicable to other ILECs for the provision of a similar functionality (i.e., excluding CCLC and RIC); or

   b. Providing direct connection, if technically feasible, between the originating and terminating carriers if they are both collocated in the intermediate carrier's central office (i.e., tandem or end office). The requesting carrier shall provide a detailed proposal of how the actual connection is to be established, the required equipment to be provided by the intermediate carrier for that purpose, and the requested compensation method. The intermediate carrier shall be compensated for all services, functionalities, and facilities it provides pursuant to Sections III, IV, and V of these guidelines.

This section shall not be construed to preclude LECs from negotiating other transit traffic interconnection and compensation arrangements.

F. Interexchange Carrier's Access Revenue Distribution

1. This guideline shall apply to a LEC only if RCF is used by that LEC as an interim method of providing telephone number portability and shall not apply once the long-term number portability solution is implemented.

2. The LEC providing RCF functionality collects the IXC terminating exchange access revenue in the process of forwarding the IXC's call to an end user of a second carrier. Such LEC shall distribute the collected relevant revenue to compensate the second carrier for revenue lost due to the use of RCF as follows:

   a. The approximation of "terminating IXC access MOUs over ported numbers" to which the revenue distribution would apply, shall be determined by applying the ratio of terminating IXC access MOUs / total (local and toll terminating MOUs), to the actual measured total terminating number portability MOUs. The LEC may use ARMIS report data, if available, or other data sources that both carriers mutually agree to.

   b. The rate adjustment amount, over which the "terminating IXC access MOUs over ported numbers" would apply, shall be calculated as follows:

Rate adjustment =	Total IXC exchange access rate charged by the collecting carrier pursuant to its tariffs
minus	Meet point billing for the collecting carrier
minus	Local reciprocal compensation rate of the second carrier.

G. Billing Arrangements

1. **Originating Responsibility Plan/Secondary Carrier Option (ORP/SCO)**

   a. ILECs shall continue to compensate each other for the transport and termination of each other's traffic pursuant to ORP/SCO, as modified in these guidelines, unless otherwise ordered by the Commission.

b. NECs are not permitted to participate in ORP/SCO arrangements as SECs.

c. When a PEC carries a call which is originated over another PEC's network and terminates on a SEC network behind that intermediate PEC, the originating PEC shall compensate the intermediate PEC carrying the call for the use of the portion of the intermediate PEC's network used to complete the call at the intermediate PEC's terminating exchange access rates (excluding CCLC and RIC), plus the portion of the terminating SEC's network used to complete the call at the terminating SEC's exchange access rates, consistent with Section IV.E.1. of these guidelines.

d. The existing compensation agreements between ILECs under the ORP/SCO plan shall be amended to refer to the tariffed PEC's and SEC's exchange access rates in effect in their intrastate access tariffs rather than the exchange access rates effective the date the PECs entered into the agreements.

e. The existing ORP/SCO arrangements not in compliance with these guidelines shall be revised to incorporate the above revisions within 30 days from the date of issuance of these guidelines. The revised agreements shall be submitted to the Commission for approval pursuant to Section III of these guidelines.

2. Meet Point Billing

a. MPB arrangements shall be used in billing for compensation for all types of traffic exchanged between NECs and ILECs similar to MPB arrangements currently used by the ILECs.

b. Under MPB compensation arrangements, the meet point can be any technically feasible point of interconnection pursuant to Section III of these guidelines.

V. PRICING STANDARDS

A. General Principles

1. These standards apply to facilities, functionalities, and services offered by the LECs, except the resale pricing standards which apply only to ILECs.

2. LEC prices for network functionalities, facilities, and services available to other LECs, with the exception of prices set in accordance with the pricing guidelines in Sections V.D. and V.E. of these guidelines, shall be set at a level that allows the providing carrier the opportunity to recover the cost of providing such functionalities, facilities, and services.

   In doing so, prices shall be set at a level that allows the providing LEC to recover its LRSIC (See Attachment A to these guidelines) to provide such functionalities, facilities, and services, and a reasonable contribution to joint and common costs incurred by that LEC. The appropriate contribution amount may vary among various network functionalities, facilities, and services. Essential, non-competitive functionalities, facilities, and services included in the definition of the state universal service listed in Section XIII.A.1., shall bear no more than a reasonable share of the joint and common costs of resources used to provide these services.

3. Subsidies deemed necessary for the provision of the state universal service shall be identified and recovered separately through the state universal service mechanism.

4. Any volume discount or geographically-based deaveraging of the price of any functionality, facility, or service offered by a LEC to other LECs, shall be made available on a nondiscriminatory basis to all LECs who meet the volume discount or the deaveraging criteria.

B. Pricing for Interconnection and Unbundled Network Elements

1. Prices for interconnection and unbundled network elements shall be set in order to allow a LEC to recover its LRSIC for providing interconnection and unbundled network elements, and a reasonable contribution to the joint and common costs incurred by that LEC. The profit level included in the LRSIC shall be the LEC's forward-looking cost of capital. In the event a LEC believes that the cost of capital does not provide a reasonable profit, it has the burden of

proof to establish, to the Commission's satisfaction, that a higher profit is warranted.

2. The price for an interconnection rate element or unbundled network rate element shall be set at LRSIC, plus an appropriate allocation of joint costs, plus 10% of the sum of LRSIC and the allocated joint costs for the recovery of common costs. A LEC may seek a waiver from that pricing standard, and shall have the burden of proof that such price level is not compatible with the price established for the comparable functionality or facility provided by the LEC for the transport and termination of local traffic, and to demonstrate any detrimental financial impact of such pricing.

3. In allocating the joint costs among the different services sharing that cost, the ILEC shall perform the allocation based upon measures of utilization, including such measures as: number of circuits, MOUs, and bandwidth. The Commission shall evaluate the joint cost allocation methodology on a case-by-case basis.

4. In developing LRSIC for interconnection and unbundled network elements, the LEC shall:

   a. Reflect costs associated with the unbundling of network elements;

   b. Reflect any avoided cost resulting from selling unbundled network elements at wholesale rather than bundled retail services;

   c. Reflect the geographically-deaveraged costs of the unbundled network elements the LEC plans to offer; and

   d. Reflect any cost-based volume discounts the LEC plans to offer.

C. Pricing of Transport and Termination of Traffic

1. Reciprocal compensation rates for the transport and termination of local traffic shall be set by the LEC at a level that allows the carrier to recover LRSIC associated with the transport and termination of traffic on that LEC's network facilities of calls originated on the network facilities of other LECs, and a reasonable contribution to the joint and common costs incurred by the LEC.

2. Prices for the transport and termination of local traffic shall be set above a price floor reflecting LRSIC, an appropriate allocation of joint costs, plus 10% of the sum of LRSIC and the allocated joint costs for the recovery of common costs. Also, the price for the transport and termination of local traffic shall be set at a level that allows the LEC to pass an imputation test for local traffic in the aggregate (i.e., including flat-rate, message; measured, and EAS), on a total customer basis (i.e., residence and business), at the end user's rate level in effect at the time the transport and termination of local traffic compensation rates are determined. The price ceiling shall be the maximum price to be established which would allow the LEC to pass that imputation test. Joint costs shall be allocated in accordance with the allocation standards described in Section V.B.3. of these guidelines.

D. Number Portability Pricing

1. Interim Number Portability Pricing

Prices for interim number portability utilizing RCF or DID shall be set at a level that takes account of the relative inferior quality of the service provided, its interim nature, and its necessity for the development of a competitive market for local exchange services. LECs shall not charge any non-recurring charges to recover service orders, installation, and similar upfront expenses associated with the provision of interim number portability utilizing any of the above methods.

2. Long-term Number Portability Pricing

The costs associated with the establishment of long-term number portability shall be borne by all telecommunications carriers on a competitively neutral basis.

E. Resale Pricing

1. ILEC retail telecommunications services are available for resale, and shall be priced on a wholesale basis. Wholesale prices shall be determined on the basis of the retail rates charged to subscribers for the telecommunications service under consideration, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the ILEC. The avoided costs shall include, but are not limited to, the costs assigned to: Account 5300 - Uncollectible Revenue; Account 6610 - Marketing; Account 6611 -

Product Management; Account 6612 - Sales; Account 6613 - Product Advertising; Account 6621 - Call Completion Service; Account 6622 - Number Services Expense; and Account 6623 - Customer Service. The ILEC shall have the burden of proof that any of these costs would not be avoided in providing a retail telecommunications service for resale. The reseller shall have the burden of proof that any additional costs assigned to other accounts would be avoided in providing a retail telecommunication service for resale.

2. The avoided costs for a specific service offering may differ, depending on the services and functions that the reselling LEC shall provide itself, and the operational support system requested by the reselling LEC.

3. The costs avoided by the ILEC due to providing a specific telecommunications service on a wholesale basis shall include direct and indirect costs of all activities eliminated due to the wholesale provisioning. However, the direct and indirect costs incurred by the ILEC to provide the wholesale function (such as providing electronic operation interface to customer accounts and handling service requests of resellers) may be identified and included in the calculation of the net avoided cost by the ILEC that shall be proposed in the overall determination of the wholesale price of that telecommunications service.

4. For ILEC retail telecommunications services offered at a discount or in a promotion, the wholesale price shall be set at either the promotional rate minus 10% or the wholesale rate, whichever is lower.

F. Imputation Standards

1. Application

An ILEC shall charge all customers which purchase its network elements the same price for the network element that it imputes to itself in determining the cost of all services it offers that require that network element as an input. For ILECS, the imputation requirements shall apply if:

a. The service under review is offered by at least one other provider (the ILEC's competitor) in the relevant market or geographic area;

b. The comparable service offered by such a competitor relies upon an essential input (or a non-competitive service) provided by that ILEC in the relevant market; and

c. The ILEC offering the service in the relevant market or geographic area uses the same essential input (or non-competitive service) used by the competitor to provide its comparable service.

In the application of the imputation test to competitive telecommunications services, an "essential input" shall mean a facility, functionality, or service offered by an ILEC for which an equivalent alternative or functional substitute, including self-provisioning by the competitor in a considerable segment of the relevant market or geographic area, is not available from any other provider within the relevant market or geographic area in which that facility, functionality, or service is offered at comparable rates, terms, and conditions.

Notwithstanding the other requirements of this section, price changes for basic local exchange service may only be considered in the context of applications pursuant to Section 4909.18 or 4927.04, Revised Code. Rates for basic local exchange service in effect as of the date of the adoption of these guidelines are not ipso facto required to pass an imputation test.

2. Methodology

The price of the telecommunications service subject to the imputation requirement shall be equal to or greater than the sum of the following:

a. The tariffed rate(s) for the essential input(s) (or non-competitive service(s)) as it is actually used by the carrier in its service offering, as such rate(s) would be charged by that carrier to any purchaser of that essential input within that market; and

b. The LRSIC(s) of all other components of the carrier's service offering.

The imputation test may incorporate cost savings that result from the bundled provision of services. The ILEC has the burden of proof of such cost savings.

3. Imputation Test Required

ILECs shall submit an imputation test, for the Commission staff's review and the Commission's approval, if:

a. Tariffs are filed by the ILEC to introduce a new service subject to imputation requirements;

b. Tariffs are filed by the carrier to reduce rates for a service subject to imputation requirements; or

c. Tariffs are filed by the carrier to increase rates for an essential input which is utilized in providing a competitive service subject to the imputation requirements as described above.

4. Imputation Filing

The ILEC shall file, as an attachment to its tariff filing, information regarding the ILEC's method of complying with the imputation standards, including but not limited to, its definition of "relevant market or geographic area", and the definition of "the essential input or non-competitive service" relevant to the service in its application.

VI. TARIFFING REQUIREMENTS

A. Structure

All LECs shall maintain end user tariffs. In addition, LECs providing service through their own facilities shall maintain a carrier-to-carrier tariff in those service areas. The carrier-to-carrier tariff shall include services, features, and functionalities for purchase by any certified carrier, subject to conditions set forth in Section VI.C.1., below.

B NEC Affiliation with CTS Providers

CTS providers affiliated with NECs can retain 563 regulation of their competitive services provided pursuant to 563, if the NEC and CTS providers are separate affiliates and comply with the affiliate transaction guidelines in 563, Case No. 86-2173-TP-ACE, and Case No. 93-1081-TP-UNC, as subsequently amended or supplemented in orders of the Commission. Otherwise, all NEC services will be regulated according to the procedures set forth in these guidelines.

C. End User Tariffing Guidelines

1. New Services

a. The NEC shall provide an application for a new service offering in its end user tariff, along with a cover letter which states that this is a 30-day prefiling pursuant to these guidelines, to the Commission's Telecommunications Division and OCC 30 days prior to filing the application with the Commission. Such prefiled application must include the following:

   1. A copy of the superseded tariff sheet(s) and price list(s), if applicable, marked as Exhibit A.

   2. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.

   3. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.

   4. A copy of the customer education and information material for new residential services must also be provided to the Commission's Consumer Services Department concurrent with the pre-filing.

b. Subsequent to the 30-day prefiling time frame, the NEC may file an application to provide the new service offering in its end user tariff with the Commission via an application for tariff amendment (ATA), along with a completed Registration Form, as set forth in Attachment B to these guidelines. The application shall become effective on the day of filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

c. However, should the staff notify the NEC prior to the expiration of the 30-day prefiling time frame that the application requires further investigation, the applicant may file the application in an ATA which will be subject to a 30-day automatic approval time frame, and shall become effective 31 days after filing, unless suspended.

d. ILECs' tariff filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L. of these guidelines.

2. End User Rates

a. NECs may charge end users rates based upon the marketplace and are not required to document their end user rates by means of developing and submitting LRSIC studies. However, NECs are expected to charge rates which are above their incremental cost of service. The Commission reserves the right to request cost or other information should it wish to audit a NEC's rates. Moreover, Section 4905.33, Revised Code, applies to NEC pricing practices.

b. ILECs' end user rates will be subject to each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144.

3. Pricing Flexibility for End User Services

a. NECs shall establish their minimum and maximum price ranges for services, and there shall be no limits to the number of rate changes permitted within the approved range, during a given period of time. NECs making changes in rates within the minimum and maximum price ranges shall file an amended price list (See Section VI.E., below) and it shall be effective on the day of filing.

b. The Commission reserves the right to apply specific pricing limitations which may have been or may be imposed on LEC services, to the NECs offerings. For example, the Commission pricing guidelines set forth in 563 which place limits on the surcharges and MTS rates offered in conjunction with AOS shall be applied to NECs offering such services.

c. ILECs' pricing flexibility is subject to each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144.

C. Carrier-to-Carrier Tariffing Guidelines

1. Availability of Carrier Services

A carrier must be certified to buy out of the carrier-to-carrier tariff of a LEC.

2. Initial Carrier-to-Carrier Services Tariffs for ILECs

a. An ILEC shall file a tariff for resale services with the Commission that consists of retail services priced at wholesale rates available for purchase by other certified carriers. (See Sections V and IX of these guidelines). Such initial applications will not be subject to an automatic approval process.

b. A LEC may prepare and file with the Commission a tariff, for carrier services other than resale, containing the terms and conditions for carrier-to-carrier services, features, and functionalities that such company generally offers in the state. In addition to the tariff, any negotiated terms and conditions between carriers, approved by the Commission, must be available on a nondiscriminatory basis to any certified carrier. (See Sections III and IV of these guidelines). Initial carrier services tariffs, other than resale, filed by ILECs will not be subject to an automatic approval process.

3. Initial Carrier-to-Carrier Services Tariffs for NECs

a. A facilities-based NEC shall file a tariff for resale services with the Commission that does not contain unreasonable, discriminatory, or anti-competitive conditions or limitations on the resale of its telecommunications services. The initial facilities-based NEC carrier-to-carrier resale tariff filed with a certification application is subject to a 60-day automatic approval process pursuant to Section II of these guidelines. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

b. Initial carrier services tariffs other than resale filed by NEC with a certification application will be subject to a 60-day automatic approval process pursuant to Section II of these guidelines. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

4. New Services for Carrier-to-Carrier Tariffs after the Initial Tariff Filing

a. Each NEC shall provide the application for a new service offering in its carrier-to-carrier tariff, along with a cover letter which states that this is a 30-day prefiling pursuant to these guidelines, to the Commission's Telecommunications Division 30 days prior to filing the application with the Commission. Such prefiled application must include the following:

1. A copy of the superseded tariff sheet(s), if applicable, and price list(s), marked as Exhibit A.

2. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.

3. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.

b. Subsequent to the 30-day prefiling time frames, the NEC may file with the Commission an application to provide the new service offering in its carrier-to-carrier tariff via an ATA, along with a completed Registration Form, as set forth in Attachment B to these guidelines. The application shall become effective on the day of filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

c. However, should the staff notify the NEC prior to the expiration of the 30-day prefiling time frame that the application requires further investigation, the applicant may file the application in an ATA which will be subject to a 30-day automatic approval time frame, and shall become effective 31 days after filing, unless suspended.

d. ILECs' carrier-to-carrier tariff filings after the initial tariff filing, shall be processed based on each ILEC's currently applicable framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L. of these guidelines.

D. Change in Terms and Conditions, Change in Carrier's Name, and Withdrawal of Service for End User and Carrier-to-Carrier Tariffs (for Abandonment of Service, See Section II.F. of these guidelines)

1. In order to change the terms and conditions of an existing service, change in carrier's name, or to withdraw an existing service, the NEC must docket an ATA with the Commission along with a completed Registration Form, as set forth in Attachment B to these guidelines. Such filing must include:

   a. A copy of the superseded tariff sheet(s) and price list(s), marked as Exhibit A.

   b. A copy of the revised tariff sheet(s) and price list(s), marked as Exhibit B.

   c. A description and rationale of the proposed tariff changes, including a complete description of the services proposed or affected, marked as Exhibit C.

2. Upon the filing by the NEC of an application to change the terms and conditions of an existing service, change in carrier's name, or to

withdraw an existing service, the application will be subject to a 30-day automatic approval procedure and shall become effective 31 days after filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

3. In applications for withdrawal of a service, change in carrier's name, and change in terms and conditions of an existing service, the NEC must provide documentation that prior customer notice was given to the affected customers via bill insert, bill message, direct mail, or one-time publication in the non-legal section of the newspaper published in and of general circulation in the counties in which affected customers are located.

4. In applications for withdrawal of service, a NEC must indicate one of the following:

   a. The NEC currently has no customers for the service proposed to be withdrawn; or

   b. If the NEC has existing customers of the service proposed to be withdrawn and has not grandfathered the provisioning of the service to current customers, the NEC must demonstrate good cause for withdrawal of the service from these customers.

5. Applications by ILECs to change terms and conditions, change in carrier's name, or withdraw a service shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L. of these guidelines.

E. Price List Changes for End User and Carrier Resale Tariffs

1. NECs' price list changes within an approved range of rates will be filed in the NECs' TRF dockets and shall be effective on the day of filing.

2. Where end user customers and/or resellers are affected by any price list increase by a NEC within an approved range of rates for

dialtone/local access MTS, directory assistance, and operator services, a notice, i.e., bill insert, bill message, direct mail, or one-time publication in the non-legal section of the newspaper published in and of general circulation in each county affected by the price increase, will be provided to the Commission's Consumer Services Department and such customers prior to the effective date of such increase.

3. If a NEC increases a rate outside of an approved range, a filing must be made pursuant to the Ohio Revised Code.

4. ILECs' price list filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L. of these guidelines.

F. Promotions - End User and Carrier Resale Tariffs

1. Terms and conditions of all promotions must be identified in price lists and filed in the NEC's TRF docket. Promotional offerings shall be effective on the day of filing. The only limitation upon NEC promotions shall be that the waiver of any charges other than a non-recurring charge shall be limited to 90 days on a per customer basis.

2. ILECs' promotional offerings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L. of these guidelines

G. Deaveraging

Requests for geographical market-based deaveraging by customer type or class for both NECs and ILECs will be considered by the Commission only where the carrier can demonstrate that the request is consistent with the public interest, is a necessary and appropriate response to differences in prevailing market prices, and will not serve to discourage entry or lessen competitive forces. In establishing the procedures for its consideration of such request, the Commission shall act pursuant to the appropriate statutory provisions.

H. Contractual Arrangements

1. End User Contracts

LECs may enter into contractual arrangements with end users for services, but rates for such services and products must also be included in the carriers' end user tariffs. The contractual arrangements may include additional terms and conditions so long as the terms and conditions are not inconsistent with the tariffed provisions. ILECs will submit cost studies for all contracts in accordance with their currently applicable regulations. i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. The Commission may grant an exception to the tariffing of all products or services in the case of unique arrangements or special assemblages. All contractual arrangements pertaining to end user products and/or services must be filed and approved by the Commission and the terms shall be made available to all similarly situated customers on a nondiscriminatory basis.

2. Process for Approval of End User Contracts

a. NEC end user contracts will be effective upon the day of signing.

b. NECs must docket their end user contract applications with the Commission within 10 days of signing. Such applications shall be filed in an application to establish, revise, or cancel a contract case (AEC), along with a completed Registration Form, as set forth in Attachment B to these guidelines. The application will be subject to a 30-day automatic approval procedure and, absent full or partial suspension of the filing, it shall become effective 31 days after filing, unless suspended. Such filing does not preclude the ability of the Commission to impose a full or partial suspension.

c. ILECs' end user contract application filings shall be processed based on each ILEC's currently applicable regulatory framework, i.e., ILECs who seek approval and who are granted approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144. However, an ILEC may apply for tariff filing parity as set forth in Section VI.L.1. of these guidelines.

d. If a LEC requests proprietary treatment of information pertinent to its contract application, the application shall not be subject to an automatic approval procedure.

3. Process for Approval of Carrier-to-Carrier Initial Contracts and Amendments

a. LEC initial carrier-to-carrier contract filings will be processed according to the procedures set forth in Section III.D of these guidelines, and in Case No. 96-463-TP-UNC.

b. For those LECs which have approved contracts for carrier-to-carrier services and such contracts contain provisions which allow them to amend such contracts during their duration, the LECs may utilize the following procedures to amend their existing contracts:

1 The LECs' amended contracts will be effective upon day of signing.

2. The LECs' must docket amendments to the initial negotiated agreements with the Commission within 10 days of signing. Such applications shall be filed in an AEC case, along with a completed Registration Form, as set forth in Attachment B to these guidelines. The application